

SHORT MEMORIES

Mr. HARKIN. Madam President, just listening to my good friend from Utah speaking—and he is a good friend of mine—and others who have been speaking for the last half hour, memories are short, very short—I mean very short. Forget about the attention span. Memories are very short. How soon we forget that at the end of the Clinton years, after we had worked with President Clinton to pass measures that brought in more revenues that kept our spending under control, we had 4 years of balanced budgets—4 years—not only of balanced budgets but budget surpluses.

When President Clinton left office, he left George W. Bush the biggest surplus ever in our history. CBO said if we just continued on with the policies we had, we would have paid off the national debt by 2010. But what did the Republicans do? They came riding into town in 2001. They got the White House. They got the Senate. They got the House. What did they do? They took that surplus we had and said: Hey, we have to give this to the wealthy. We have to have tax cuts for the wealthiest in our society. That is what they did. How did they do it? They snuck it through on something called reconciliation—a budget measure which means we cannot filibuster it, and it only takes 50 votes. That is what the Republicans did. They squandered it—squandered it—to give more to the wealthiest in our society. Look what has happened since then.

Then we had two unpaid-for wars. George Bush got us in those wars. Don't pay for them; we will just borrow it from China, borrow it from other countries. Then a new prescription drug benefit, unpaid for. We will just borrow more money.

Now these same Republicans who ran up the deficit, squandered the surplus, are now saying we have to balance the budget on the backs of the middle class. We have to balance the budget on those who already are hurting so much. But, no, we cannot raise revenues on the wealthy. Oh, no. No, no, we cannot do that.

As I said, memories are short. They all want a balanced budget amendment now. Why don't we do what we did under the Clinton years? Let's have the same kind of economic policies we had then? Then we will have balanced budgets. But, no, not my Republican friends. No. They say they want to limit government spending to 18 percent of GDP. I would like to ask: Where does that number come from? Why is it 18 percent? Why isn't it 18.5 percent? Why isn't it 17.75 percent? Why isn't it 19.23 percent? Where does 18 percent come from?

Let me tell you where this comes from. The last time the Federal Government was 18 percent of GDP spending was 1967, before Medicare got underway. So read between the lines what the Republicans are saying: If they could get that down to 18 percent, they

can do away with Medicare, which is what they want to do anyway. The Republicans want to do away with Medicare. If we can get the Federal Government's role of spending down to 18 percent, we are back where we were in 1967. Guess what. We can get rid of Medicare and turn it back over to the private insurance companies. That is what the Ryan budget did. That is what the Republican budget did. That is what they all voted for.

So when they tell us about 18 percent of GDP, think Medicare. Think Medicare. Goodbye Medicare. That is what they are after.

BOLD VISIONS

Mr. HARKIN. Madam President, we have reached a point of maximum danger—maximum danger—in our fragile economic recovery. We are mired with the most protracted period of joblessness since the Great Depression. Businesses are reluctant to invest and hire for the simple reason there is not sufficient demand for goods and services, largely because—why—so many people are unemployed, 20 million. People are mired in debt. Even those who are working are insecure about their employment. So for most Americans in the middle class and lower income, this is still a deep recession.

I have come to the floor repeatedly in recent weeks to warn against the folly—the folly—of Washington's current obsession with making immediate Draconian cuts to the Federal budget, something that by its very nature will drain demand, reduce growth, and destroy jobs.

The Federal Reserve Board Chairman, Ben Bernanke, warned just last week:

In light of the weakness of the recovery, it would be best not to have a sudden and sharp fiscal consolidation in the very near term. It would be a negative for growth.

Here in the Washington bubble, many—especially those on the opposite side of the aisle—have persuaded themselves that the biggest issue is the budget deficit. But outside the beltway, outside Washington, Americans are most concerned with a far more urgent deficit: the jobs deficit.

I am also concerned about a third deficit that I think we have: a deficit of vision. I am disturbed by our failure to confront the current economic crisis with the boldness and the vision that earlier generations of Americans summoned in times of national challenge.

Our Republican friends reject the very possibility that the Federal Government can act to spur economic growth, boost competitiveness, and create good middle-class jobs. That is their ideological position, and they are sticking to it, even in the face of contrary facts. It is based on a profound misreading or perhaps nonreading of American history.

As Americans, we pride ourselves on our robust free enterprise system. But there are some things—big national un-

dertakings—that the private sector simply is not capable of doing. At critical junctures, going back to the beginning of our Republic, the Federal Government has stepped to the plate. We have acted decisively to spur economic growth, foster innovation, and create jobs.

So let's go back. Let's do a little analysis of our history.

The Founding Fathers are very much in vogue these days, so let's go back to that time. Let's go back to Alexander Hamilton, a hero of the Revolutionary War, our first Treasury Secretary. In 1791 Hamilton presented the Congress the landmark report on manufacturers, a set of policies designed to strengthen our new economy.

His plan was adopted by Congress. It included tariffs to raise revenue and to protect our domestic manufacturing base. Hamilton's plan was a historic success. It was echoed several decades later by Congressman Henry Clay's famous "American System." In the burst of nationalism following the War of 1812, Clay advocated for major new Federal investments in infrastructure. Of course, at that time he did not call it infrastructure, he called it internal improvements.

Clay led the Congress in raising new revenues to finance subsidies for roads, canals, bridges, and projects designed to expand commerce and knit the Nation together. One of those internal improvements was the Cumberland Road, our first truly national road. It began in Maryland and stretched over the Alleghenies more than 600 miles to Illinois. It was Henry Clay of Kentucky and other westerners who pushed to extend the road from Wheeling, WV, to Columbus, OH.

But, again, go back and read your history. Clay was bitterly opposed by those who said the Federal Government could not afford to build the roads and canals and had no business doing so. It sounds familiar to what I am hearing on the other side of the aisle today. History shows that the naysayers were wrong on all counts.

The Cumberland Road opened the West to settlers and commerce and development. Of course, the most visionary 19th century advocate of Federal investments to spur economic growth was a Republican, the first Republican President, Abraham Lincoln.

Despite the disruption of the Civil War, Lincoln insisted on moving the Nation forward through bold Federal investments and initiatives. In 1862 he signed the Pacific Railway Act, authorizing huge Federal land grants to finance construction of the Transcontinental Railroad, one of the great technological feats of the 19th century. To produce the rails in America rather than shipping them in from England, he enacted a steep tariff on foreign steel in order to jump-start the American steel industry.

Lincoln did much more. He created the Department of Agriculture to do more research, distributed free land to

farmers, and used government agents to promote new farm machinery and agricultural techniques. As a proud graduate of Iowa State University, I know Lincoln also dramatically increased higher education by creating the land-grant college system.

Taken together, these initiatives during Lincoln's Presidency—I remind you, he was doing all of this during the Civil War—had a transformative effect on the U.S. economy. We created new industries, expanded opportunity, and created millions of new jobs. He did this despite the fact that the Federal Government was deeply in debt and running huge deficits. Imagine that. Abraham Lincoln.

These Republicans always go to their Lincoln Day dinners. Why do they not start talking about what Abraham Lincoln did to spur economic growth and create jobs in our country at a time when our Federal Government was in a deficit? It is almost humorous to imagine how the Republicans of today would have reacted to Lincoln's agenda. They would have attacked him, I am sure, as reckless and irresponsible. They would whine that we are broke; we cannot afford to invest in the future. I am sure the tea party contingent in the Republican Party would have demanded that Lincoln be expelled from the Republican Party.

Moving into the 20th century, time and again the Federal Government has acted with boldness and vision to accomplish big things that were simply beyond the capacity of the private sector. During the Presidency of Franklin Roosevelt, with the private sector paralyzed by the Great Depression, the Federal Government responded with an astonishing array of initiatives to restart the economy, restore opportunity, and create jobs.

The list is far too long, but I would mention rural electrification, the Civilian Conservation Corps and what they did to plant trees and greenways all over America, the Tennessee Valley Authority, which brought opportunity and power to the deeply impoverished Appalachia, Hoover Dam, Grand Coulee Dam, bringing power and water across the Southwest and the Northwest.

Millions of unemployed Americans, including my father—if you come over to my office, I will show you my dad's WPA card, Works Progress Administration. He got a job with dignity, thanks to the Works Progress Administration. They built thousands of infrastructure around our country: roads and dams and schools, bridges, many of which we are still using today eight decades later.

I would point out one project my father worked on: Lake Ahquabi State Park in Iowa, which my father worked on with other WPA people to help build. We are still using it today.

By the end of the Second World War, wartime investments by the Federal Government had created an industrial colossus. FDR and Truman were followed then by a Republican President,

Dwight Eisenhower. What did he do? Did he pull the plug on all of this? Well, let's look at history.

Eisenhower, a proud Republican, was determined to move America forward. He championed, at a time when the Federal deficits continued into the 1950s from World War II—because the national debt grew so big during World War II, we were still in debt during the 1950s. What did Eisenhower do? Did he say we have to retrench; we cannot do anything? No. He championed one of the greatest public works projects in American history, the construction of the Interstate Highway System.

The National Interstate and Defense Highways Act of 1956 ensured dedicated Federal funding to build a network today that encompasses over 46,000 miles of highways. A 1996 study of the system concluded:

The interstate highway system is an engine that has driven 40 years of unprecedented prosperity and positioned the United States to remain the world's preeminent power into the 21st century.

Well, you know what. I will bet the tea party contingent of today's Republican Party would probably have tried to run Dwight Eisenhower out of the Republican Party.

In more recent times, the Federal Government has funded and spearheaded scientific discovery and innovation that has had a profound impact on our economy and created millions of high-value jobs.

Now, I know my time is limited. I want to mention a couple. It was the Federal Government—specifically the Defense Advanced Research Projects Agency, called DARPA—that created the Internet. No, I am sorry, my young friends, it was not Google; and it was not Microsoft, although Bill Gates built a great empire. It was the Federal Government that created the Internet, making possible everything we get from e-mail to social networking. Need I mention tweeting and the World Wide Web? This has revolutionized the way we do business, not only here but around the globe, and has created untold millions of jobs. It was not a private company; it was the Federal Government amassing the money that people pay in taxes to create the Internet.

Federal researchers at this same agency also created the global positioning satellite system, GPS. When you get in your car, you need to know where to go. You follow all of that. You think Garmin invented that? No. But the Garmin company and all of the rest of them—I should not single one out; there are a lot of competitors out there—are making the instruments. They are hiring people. The private sector is doing what it should do. But it was the Federal Government that created the global positioning satellite. It was taxpayers' dollars that put those 24 satellites in orbit and still keep them operating today.

Researchers at NASA, the National Aeronautics and Space Administration, have made dozens of technological

breakthroughs over the years, everything from microchips to CAT scanner technology. Of course, in a discussion of the Federal Government's role in stimulating the economy, we have to mention the staggering achievements of the National Institutes of Health. More than 80 Nobel Prizes have been awarded for NIH-supported research.

Bear in mind too that unless basic research in biomedical sciences is funded by the Federal Government, most of it simply will not get done. Why? Because it is basic research. It is basic. It may not lead to something. A lot of it leads to dead ends. But the basic research is done. The applied research is built on that. The private sector then comes in, adapts it for drugs and interventions, and we spur the economy and we make people healthier.

The economic impact of NIH has been profound. Take one example, the Human Genome Project, mapping and sequencing the entire human gene. The Federal Government invested \$3.8 billion in mapping and sequencing the human gene. Just last month, the Battelle Memorial Institute issued a report on the economic impact of the genomic revolution launched by this project.

Battelle estimates that as of 2010 the return on investment of the project, \$3.8 billion; the return on investment total, \$796 billion. The project has created an estimated 310,000 jobs and \$244 billion in personal income. In 2010 alone, just 1 year, the project generated \$67 billion in economic output.

The Federal Government, folks; the Federal Government did that. So in light of these statistics and the historical records I have just cited to the founding of our Republic, it is absurd to claim that the Federal Government cannot play a positive and even a profound role in boosting the economy, in spurring innovation, in creating jobs, and improving the standard of living of our people.

Republicans protest that Federal investments and innovation and research are about the government picking winners and losers. I hear that all the time. The truth is, initiatives such as the Human Genome Project are not about picking winners and losers. That is making all of us winners.

It is about the Federal Government stepping to the plate to undertake big, important national projects that the private sector is simply not equipped to do. At times of crisis such as during the Great Depression, and in the aftermath of the financial meltdown of 2008, the Federal Government has acted boldly to rescue the economy when the private sector was flat on its back and unable to function normally.

The Recovery Act passed by Congress soon after President Obama took office has manifestly succeeded in jump-starting economic activity. Listening to all of my Republican friends, they say the Recovery Act failed. It failed. It failed. Well, according to the Congressional Budget Office, through the

end of 2010 the Recovery Act raised the real inflation-adjusted gross domestic product by as much as 3.5 percent and increased the number of employed Americans by as many as 3.3 million. But today the shot in the arm provided by the Recovery Act is winding down.

Quite frankly, we did not put enough in the Recovery Act to stretch it out for a longer period of time. The economy is still struggling. Our Democratic majority in this body has brought to the floor a series of job-creating bills, but Republicans have filibustered and killed every single one.

So I repeat. Yes, we face a large budget deficit. Yes, we have to address it in the intermediate and long term. In the immediate term we need to confront the jobs deficit. But we also face a deficit of a positive vision—a positive vision. We have failed to meet the challenges of our day with the boldness and the vision that our predecessors summoned in times past.

How much time do I have remaining?

The ACTING PRESIDENT pro tempore. Ten minutes remains for the Democratic side collectively.

Mr. HARKIN. I will just take about 3 more minutes.

Many Republicans are demanding that we permanently hobble the Federal Government, just as our predecessors did not want to build the roads and the highways and the canals in the past.

My friend from Utah had a chart that said “broke or balanced.” They claim our Nation is poor and broke. That is not true. That is not true. That negative, defeatist viewpoint is dead wrong. We remain the wealthiest Nation on Earth, with the highest per capita income of any major country on the face of the globe. But we have to act decisively, with the power of the Federal Government to boost the economy, foster innovation, and create good middle-class jobs. That is the most important thing.

Lastly, balanced budget? Let’s just do what we did under the Clinton years, in which we had 4 years of balanced budgets and left the biggest surplus in our Nation’s history. But the Republicans will not do that because they have a defeatist attitude. We need a more bold vision than what the Republicans bring forward to the American people.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

Mr. WHITEHOUSE. Madam President, I ask unanimous consent to speak for 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMBATING MILITARY COUNTERFEITS

Mr. WHITEHOUSE. Madam President, our Nation asks a lot of our troops. In return, we must give them the best possible equipment to fulfill their vital missions and come home

safely. We have a powerful obligation to them to ensure the proper performance of weapons systems, body armor, aircraft parts, and countless other mission-critical products.

Today, however, America’s military faces a significant and growing threat from counterfeit products entering the military supply chain.

I rise to speak about a bill I have introduced with Senator MCCAIN, Senator GRAHAM, and Senator COONS: the Combating Military Counterfeits Act of 2011. This bill will enhance the ability of prosecutors to keep counterfeit goods out of the military supply chain. In so doing it will help protect America’s Armed Forces from the risk of defective equipment.

These counterfeit products do not meet military standards. As a result, they put troops’ lives at risk, compromise military readiness, and cost the country enormous sums in replacement costs.

In the case of microelectronics, counterfeit parts also provide an avenue for cybersecurity threats to infiltrate military systems, possibly enabling hackers to track or even disable crucial national security applications.

With troops from Rhode Island and all over the United States serving overseas in Iraq and Afghanistan, we cannot accept criminals selling fake versions of products used by our troops. Unfortunately, however, this unacceptable threat to troop safety and national security is growing.

A report by the Government Accountability Office provides examples that demand stiff criminal punishment. It explains that the Defense Department found out in testing that what it thought was Kevlar body armor was in fact nothing of the sort and could not protect our troops the way proper Kevlar can. Our troops going out on patrol in fake body armor is simply unacceptable.

In another example, a supplier sold the Defense Department a part that it falsely claimed was a \$7,000 circuit that met the specifications of a missile guidance system. Military grade chips are called that for a reason: they are required to withstand extreme temperature, force, and vibration. Chips that don’t meet those specifications are prone to fail; for example, when a jet is at high altitude, when a missile is launching, or when a GPS unit is out in the rugged field. The possible consequences of such equipment failing are dire.

A January 2010 study by the Commerce Department quoted a Defense Department official as estimating that counterfeit aircraft parts were “leading to a 5 to 15 percent annual decrease in weapons system reliability.”

The Commerce Department study, which surveyed military manufacturers, contractors, and distributors, reported approximately 2½ times as many incidents of counterfeit electronics in 2008 as in 2005. The high price of military grade products is going to attract more and more counterfeiters.

On a related matter, one source of the problem has been the often illegal dumping of U.S. electronic waste in countries such as China. Business Week reported in 2010 that used computer chips from old personal computers are fraudulently remarked in China as “military grade” chips and sold to U.S. military suppliers. A bill I introduced last week, the Responsible Electronics Recycling Act, would help address that issue by cracking down on the profligate dumping of electronic waste.

We should also evaluate this combating military counterfeits bill in the context of the relentless cyber attacks America weathers every day. The chip might not only be counterfeit, it might be the carrier for dangerous viruses and malware that may create windows our enemies can enter to sabotage our military equipment or to steal our military secrets.

I applaud those of my colleagues who have worked with the Department of Defense to ensure that it can keep counterfeits out of the supply chain.

I particularly appreciate the leadership of Chairman CARL LEVIN and Ranking Member JOHN MCCAIN of the Armed Services Committee. I am also pleased that the administration, and particularly its intellectual property enforcement coordinator, Victoria Espinel, is working hard to protect our military from counterfeits. I am also pleased that the National Intellectual Property Rights Coordination Center recently began Operation Chain Reaction, a new initiative targeting counterfeit items entering the military supply chain.

I strongly believe that strengthened criminal provisions should be part of our strategy going forward. As a former U.S. attorney I know the significant deterrent effect criminal sanctions can provide.

The Department of Justice has a vital role to play in using criminal investigations and prosecutions to identify and deter trafficking in counterfeit military goods.

To that end, the administration has endorsed increasing penalties for trafficking in counterfeit military goods as part of recent recommendations to Congress for better protecting American intellectual property. I am glad the administration has recognized the need for legislation, and I look forward to working with them to see the necessary changes made.

Our laws currently do not impose any special punishment for trafficking in counterfeit military goods. 18 U.S.C., section 2320, the counterfeit trafficking statute, provides heightened penalties for trafficking and counterfeits that result in bodily injury or death. But out on the battlefield it is not clear that the part will ever be recovered, and it is impossible sometimes to tell them the counterfeit caused the bodily injury or death.

As a result, traffickers in military counterfeits are less likely to face penalties that reflect the unacceptable